

## Message Text

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ACTION EB-08

INFO OCT-01 IO-13 ISO-00 L-03 FRB-03 OMB-01 ITC-01

SP-02 AGRE-00 AID-05 CIAE-00 COME-00 INR-07

LAB-04 NSAE-00 OIC-02 SIL-01 STR-05 TRSE-00

CEA-01 SS-15 SSO-00 INRE-00 USIE-00 AF-10 ARA-10

EA-10 EUR-12 NEA-10 /124 W

-----121864 281458Z /47

O 281439Z NOV 77

FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 3476

C O N F I D E N T I A L GENEVA 11086

E.O. 11652: GDS

TAGS: UNCTAD, ETRD

SUBJECT: POSSIBLE ELEMENTS OF A COMMON FUND PACKAGE

1. USDEL WOULD APPRECIATE GUIDANCE ON THE FOLLOWING  
POSSIBLE ELEMENTS OF AN OVERALL PACKAGE WITH NO ONE  
ELEMENT TO BE OFFERED WITHOUT ACCEPTANCE OF THE ENTIRE  
PACKAGE.

2. JOINT PRODUCER/CONSUMER FINANCING:

THE UK HAS, IN PRIVATE, SUGGESTED THE FOLLOWING  
LANGUAGE WHICH APPEARS ACCEPTABLE TO US:

"WHERE PRODUCERS AND CONSUMERS NEGOTIATING A  
NEW ICA IN THE FRAMEWORK OF THE INTEGRATED  
PROGRAMME FOR COMMODITIES ARE AGREED THAT AN  
INTERNATIONALLY FINANCED STOCK SHOULD BE  
ESTABLISHED, AND THAT DIRECT CONTRIBUTIONS  
FROM GOVERNMENTS WOULD BE AN APPROPRIATE  
TECHNIQUE FOR FINANCING IT, CONSUMER COUNTRIES  
SHOULD ACCEPT JOINT RESPONSIBILITY WITH

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PRODUCING COUNTRIES FOR PROVIDING THE  
FINANCE REQUIRED."

USDEL WOULD APPRECIATE COMMENT INCLUDING ALTERNATIVE  
SUGGESTED LANGUAGE IF THE UK VERSION IS UNACCEPTABLE.

3. DIRECT CONTRIBUTIONS TO CF EARMARKED FOR INDIVIDUAL

ICAS:

IT HAS BEEN SUGGESTED BY AMB MACIEL (BRAZIL) THAT THE GROUP B POOLING PROPOSAL MIGHT BE MORE PALATABLE TO THE G-77 IF MEMBER GOVERNMENTS' CASH DEPOSITS AND POSSIBLY PLEDGED CALLABLE CAPITAL, ONCE THE ICA'S MAXIMUM FINANCIAL REQUIREMENT FOR BUFFER STOCKING WAS DETERMINED, WERE MADE DIRECTLY TO THE CF AND PLACED IN AN ACCOUNT FOR THE INDIVIDUAL ICA. IT IS NOT APPARENT THAT THIS WOULD CHANGE THE NATURE OF THE GROUP B SCHEME, BUT THERE MAY BE IMPLICATIONS FOR ICA AUTONOMY. WOULD SUCH AN APPROACH BE ACCEPTABLE TO WASHINGTON?

4. VOLUNTARY CONTRIBUTIONS:

LEAVING ASIDE THE QUESTION OF VOLUNTARY CONTRIBUTIONS TO A SECOND WINDOW, IT IS OUR VIEW THAT VOLUNTARY CONTRIBUTIONS FOR THE FIRST WINDOW (I.E. FOR BUFFER STOCK FINANCING) MIGHT BE ACCEPTABLE TO US, ALTHOUGH THIS WOULD UNDOUBTEDLY HAVE IMPLICATIONS FOR VOTING AND DECISION-MAKING. VOLUNTARY CONTRIBUTIONS TO A SEPARATE ACCOUNT TO DEFRAY ASSESSED CONTRIBUTIONS OF THE POOREST LDCS TO ICAS HAS ALSO BEEN SUGGESTED. USDEL WOULD APPRECIATE WASHINGTON'S VIEWS ON THE ABOVE POSSIBLE USES OF VOLUNTARY CONTRIBUTIONS, OR ANY OTHERS THAT MIGHT SEEM RELEVANT.

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5. NATIONALLY-HELD, INTERNATIONALLY-COORDINATED STOCKS:

GROUP B HAS SUGGESTED THAT SUCH ARRANGEMENTS WOULD BE ASSOCIATED WITH THE CF TO THE EXTENT THEY ARE INTERNATIONALLY FINANCED. THE ISSUE IS WHETHER NATIONALLY-FINANCED INTERNATIONALLY-COORDINATED STOCKS COULD OR SHOULD BE ASSOCIATED WITH THE CF. WE SEE SEVERAL POSSIBLE INSURMOUNTABLE DIFFICULTIES WITH NATIONALLY-FINANCED STOCKS WHICH APPEAR TO MAKE ASSOCIATION OF SUCH ARRANGEMENTS WITH A POOLING FUND IMPOSSIBLE. WE WOULD APPRECIATE WASHINGTON'S LATEST THINKING ON THIS ISSUE.

6. USDEL HAS PREVIOUSLY REQUESTED WASHINGTON'S VIEWS ON ALTERNATIVE FEASIBLE DEPOSIT RATIOS (REFTEL GENEVA 10803, NOV 22) AND AMPLIFICATION ON OUR POSITION THAT US IS WILLING TO ENCOURAGE INCREASED SUPPORT FOR OTHER MEASURES THROUGH EXISTING IFIS (REFTEL GENEVA 10982, NOV 25). THESE TWO ELEMENTS MIGHT ALSO FORM PART OF AN EVENTUAL FINAL PACKAGE. SORENSON

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## Message Attributes

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**Review Markings:**  
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22 May 2009  
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